



## RESOLUTION

REAFFIRMING THE HONOLULU CITY COUNCIL'S SUPPORT OF EXTENDING THE COUNTY SURCHARGE ON THE GENERAL EXCISE TAX IN ORDER TO COMPLETE THE HONOLULU RAIL PROJECT TO ALA MOANA SHOPPING CENTER.

WHEREAS, the Honolulu High-Capacity Transit Corridor Project ("Honolulu Rail Project"), which is planned to run from East Kapolei to Ala Moana Center with possible future extensions to the University of Hawaii at Manoa and West Kapolei, is expected to be the backbone of an island-wide multimodal transportation network that will integrate rail with TheBus system, the Oahu Bike Plan, and "complete streets" improvements; and

WHEREAS, although the Honolulu Rail Project is often viewed as a City issue, it is a quality of life issue for those people on Oahu who are experiencing some of the worst traffic congestion in the country; and

WHEREAS, transit-oriented development ("TOD"), a type of community development that includes a mixture of housing, offices, retail, and other amenities integrated into a walkable neighborhood and located within walking distance of a rail station, is already being planned near the rail project's alignment; and

WHEREAS, TOD will provide more housing choices to residents and new economic opportunities that are linked with a higher concentration of jobs and housing along the rail line; and

WHEREAS, in August 2016, the Federal Transit Administration made it clear to City and Honolulu Authority for Rapid Transportation officials that halting rail construction at Middle Street, rather than Ala Moana Center as designated in the Minimum Operable Segment and funded as per the Full Funding Grant Agreement, is not acceptable and could jeopardize \$1.5 billion in federal grants; and

WHEREAS, Honolulu's General Excise Tax ("GET") surcharge: 1) provides essential funding for the Honolulu Rail Project; 2) is broad-based and represents a dedicated source of funds for construction; and 3) serves as an equitable and fair way of funding the Honolulu Rail Project, spreading its cost among visitors and residents, with low-income residents able to file for tax credits that help offset the GET; and

WHEREAS, the Council is also committed to looking into all sources of funding to reduce the costs of the remaining rail construction and to establish "more skin in the game," including but not limited to exploring public-private partnership options and



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seeking an adjustment to the State's fee of 10 percent to administer the 0.5 percent rail surcharge; and

WHEREAS, the GET surcharge will also provide the means to address debt service expenses when the City needs to float bonds in order to address temporary cash flow shortfalls associated with the receipt of rail construction funding; and

WHEREAS, the Council finds that for many reasons, including all of those noted above, the completion of the rail project all the way to the Ala Moana Shopping Center continues to be a positive and valuable goal for the City to pursue; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it reaffirms its support of extending the county surcharge on the General Excise Tax in order to complete the Honolulu Rail Project to the Ala Moana Shopping; and

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor, the Managing Director, the Executive Director, and Chair of the Board of Directors of the Honolulu Authority for Rapid Transportation.

INTRODUCED BY:

Ernest Martin

Joey Manahan

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DATE OF INTRODUCTION:

September 12, 2016  
Honolulu, Hawaii

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Councilmembers